

NEW HAMPSHIRE STATE LIQUOR COMMISSION

MINUTES OF MEETING – AUGUST 24, 2005

PRESENT: Chairman Anthony Maiola and Commissioners John Byrne and Patricia Russell; John Bunnell, Administrator of Marketing & Sales; Eddie Edwards, Chief of Enforcement; Howard Roundy, Director of Information Technology; Peter Engel, Director of Store Operations; Steven Slovenski, Legal Counsel; Evie Taft, Human Resources Administrator; Richard Gerrish, Spirits Marketing Specialist; Nicole Brassard, Wine Marketing Specialist; George Tsiopras, Chief Financial Officer; Doreen Wittenberg, Business Supervisor, Administrative Services. **Guests:** Al Picconi, Southern Wine & Spirits of N.E., Inc.; Michael Gocłowski, Law Warehouses.

EXCUSED: Craig Bulkley, Bureau Chief of Administrative Services.

I. FINANCIAL & ADMINISTRATIVE REPORTS

1. Financial Reports

A. Weekly, Y-T-D Sales Reports:

Total sales for the week ending August 21, 2005 were up by 4.04% or \$337,142 for the weekly comparison, and also increased year-to-date by 4.76% or \$3,012,704.

B. Budget/Administrative Reports:

Last week George and Craig attended the business managers' meeting sponsored by Administrative Services and John Dolan. George reported this to have been a very productive meeting, which gave everyone present an opportunity to voice their opinions.

The most recent W-6 Expense Budget Activity Variance Report indicates the year to be at about 12.8% expended, with total agency expenditures at roughly 11.5%. There is some cause for concern regarding Class 50 monies, as figures do not include provisions for the 6% lapse plus the 10% hit against the budget. Other affecting factors include new store openings. Commissioner Byrne asked if there will be a supplemental budget. He advised going back to legislation and putting the footnote back in. George will report back again regarding this.

Advertising will soon begin for bidders to fill snow plow contracts, a process which George hopes will be completed by October.

2. IT Report

Howard reported that the lines have been put in at the new locations for Store #54 Glen and Store #10 Manchester.

3. Human Resources Report: No report given.

II. MARKETING & SALES REPORTS

1. Store Operations

Total store sales for the week ending 8/21/05 increased by 6.93% or \$456,676.04. Sales for Keene were up 37% and were also up for Conway by over 14%.

There was a “crash and burn” situation at the current Store #10 location in Manchester where everything had to be removed immediately. All split cases should be stocked at the new location today, and a final “walk through” has been completed.

The new Glen store will probably open after Labor Day. In addition, Peter will be meeting with the potential landlord for a new location in Campton this week. He also left a long telephone message with the landlord of a possible new site for the Hillsboro store.

2. Purchasing Report

John Bunnell reported a few out-of-stock situations with Diageo products. Marketing is working with Southern Wine & Spirits of N.E. (United Beverages) to resolve these issues.

3. Merchandising Report

A. SPIRITS:

1) Columbus Day Sale:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve forty-nine (49) spirit items to be featured on sale during the Columbus Day Sale, scheduled for Thursday, September 29 through Monday, October 10, 2005, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Test Market Requests:

a. Finlandia Wild Berries Vodka, 750ML:

It was moved by Commissioner Byrne, seconded by Commissioner Russell, that the Commission approve a request from Horizon

Beverage Company/Brown-Forman Corporation, for a new test market listing for Finlandia Wild Berries Fusion Vodka, 750ML size (assigned new Code #3771), as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. Old Forester Bourbon (86 proof), 1.75L:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission deny a request from Horizon Beverage Company/Brown-Forman Corporation for a new test market listing for Old Forester Bourbon (86 proof), 1.75L size, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 3) One Time Buy Request (10 Cane Rum, 50ML):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a request from Southern Wine & Spirits of N.E., Inc./Moet Hennessy USA, for the Commission to make a one-time purchase of 10 Cane Rum, 50ML size (assigned new Code #4861), to be distributed to Cluster 1 and 2 stores, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 4) Product Demo Requests:

- a. Extension – Bacardi Island Breeze:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a request from Horizon Beverage Company/Bacardi USA to extend previously approved product demonstrations featuring Bacardi Island Breeze through the end of October 2005 at designated stores on specific dates and times, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. Jack Daniels #7 Race Car & Bottle Signing:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a request from Horizon Beverage Company/Brown-Forman Corporation to conduct a

product demonstration featuring Jack Daniels to include display of a replica of the Jack Daniels #7 show car in the employee parking lot at Store #66 Hooksett North from 4:30 to 7:30 p.m. and bottle signings by driver Dave Blaney for a one-hour period beginning at 6:30 p.m. on Friday, September 16, 2005 at Store #66 Hooksett North, as recommended by Richard Gerrish, Spirits Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

B. WINES:

1) Special Offers for October 2005:

a. Columbus Day Sale (8 items):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve eight (8) wine items to be featured on sale during the Columbus Day Sale, scheduled for Thursday, September 29 through Monday, October 10, 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 2 items – R.P. Imports:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from R.P. Imports, based upon depletions for two (2) wine items, to be featured on sale during October 2005 and continued until all inventory is depleted, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. 4 items – Horizon Beverage Company:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Horizon Beverage Company, based upon depletions for four (4) wine items, to be featured on sale during October 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

d. 47 items – Horizon Beverage Company:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Horizon Beverage Company, based upon depletions/special purchase allowances for forty-seven (47) wine items, to be featured on sale during October 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

e. 2 items – Executive Wine & Spirits:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Executive Wine & Spirits, based upon depletions for two (2) wine items, to be featured on sale during October 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

f. 78 items – Martignetti Companies of N.H.:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Martignetti Companies of N.H., based upon depletions/special purchase allowances for seventy-eight (78) wine items, to be featured on sale during October 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

g. 165 items – Southern Wine & Spirits of N.E.:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Southern Wine & Spirits of New England, Inc., based upon depletions/special purchase allowances for one hundred sixty-five (165) wine items, to be featured on sale during October 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

h. 6 items – Southern Wine & Spirits of New England:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Southern Wine & Spirits of New England, Inc., based upon depletions for six (6) wine items, to be featured on sale during October and December

2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

2) Special Offers for October and November 2005:

a. 60 items – “Winter Sale” (Martignetti Cos. of N.H.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Martignetti Companies of N.H., based upon depletions for sixty (60) wine items, to be featured during a “Winter Sale” during October and November 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

b. 1 item – Clos Du Bois Pinot Grigio (Horizon):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a special offer from Horizon Beverage Company, based upon depletions for Code #41751, Clos du Bois Pinot Grigio, 750ML size, to be featured on sale during October and November 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

c. 4 items – Delicato (Southern Wine & Spirits of N.E.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Southern Wine & Spirits of New England, Inc., based upon depletions for four (4) Delicato wine items, to be featured on sale during October and November 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

d. 2 items – Folonari (Southern Wine & Spirits of N.E.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Southern Wine & Spirits of New England, Inc., based upon depletions for two (2) Folonari wine items, to be featured on sale during October and November 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- e. 4 items – Chalone (United Beverages, Inc.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Southern Wine & Spirits of New England, Inc., based upon depletions for four (4) Chalone wine items, to be featured on sale during October and November 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- f. 3 items – Chandon (United Beverages, Inc.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Southern Wine & Spirits of New England, Inc., based upon depletions for three (3) Dom Chandon wine items, to be featured on sale during October and November 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

3) Special Offers for October/November/December 2005:

- a. 3 items – Campo Viejo (Horizon Beverage Company):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve special offers from Horizon Beverage Company, based upon depletions for three Campo Viejo wine items, to be featured on sale during October, November and December 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- b. 1 item – Moet & Chandon Nectar Rose (United Beverages, Inc.):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a special offers from Southern Wine & Spirits of New England, Inc., based upon depletions for Code #42188, Moet & Chandon Nectar Imperial Rose, to be featured on sale during October, November and December 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 4) Martignetti Buy One Get One Half Off – October 2005:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve a request from Martignetti Companies of New Hampshire/J. Lohr Winery to conduct a “Buy One Get One Half Off” promotion featuring three (3) J. Lohr Winery wine items during October 2005, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

- 5) Primary Source Submissions (7 exclusive agent; 7 imported):

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve the listing of seven (7) wine items which are offered by the exclusive marketing agent and seven (7) wine items which are imported, as recommended by Nicole Brassard, Wine Marketing Specialist and concurred by John Bunnell, Administrator of Marketing & Sales. The motion was unanimously adopted.

III. ENFORCEMENT & LICENSING REPORT – No report given.

IV. CHAIRMAN’S REPORT & LATE ITEMS

- 1) Bailment Requests:

It was moved by Commissioner Byrne, seconded by Commissioner Maiola, that the Commission approve all previously reviewed requests for bailment releases/transfers dated August 18 through August 24, 2005. The motion was unanimously adopted.

- 2) Coupon Approvals: None.

- 3) Late Items/Other: None.

Anthony C. Maiola, Chairman

John W. Byrne, Commissioner

/D. Hartford

Patricia T. Russell, Commissioner

